Grant Thornton

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A.T. Kearney P/S

Sankt Annæ Plads 13, 1250 København K

Company reg. no. 37 81 13 19

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 29 June 2022.

G. Berntsen

Godfred Severin Berntsen
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Management has approved the annual report of A.T. Kearney P/S for the financial year 1 January - 31 December 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

I consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Copenhagen, 29 June 2022

Managing Director

Lars Krohn Røst

Independent auditor's report

To the Shareholder of A.T. Kearney P/S

Opinion

We have audited the financial statements of A.T. Kearney P/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 29 June 2022

Grant Thornton
State Authorised Public Accountants
Company reg. no. 34 20 99 36

Michael Beuchert
State Authorised Public Accountant
mne32794

Company information

The company	A.T. Kearney P/S Sankt Annæ Plads 13 1250 København K	
	Company reg. no.	37 81 13 19
	Established:	15 June 2016
	Domicile:	Copenhagen
	Financial year:	1 January 2021 - 31 December 2021
Board of directors	Gotfred Severin Berntsen, Chairman James Frederick Dyall Geir Olsen	
Managing Director	Lars Krohn Røst	
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	
Parent company	A.T. Kearney Denmark A/S	

Financial highlights

DKK in thousands.	2021	2020	2019	2018
Income statement:				
Gross profit	62.790	45.199	50.132	31.361
Profit from operating activities	6.782	1.781	3.254	-4.702
Net financials	132	-1.699	-723	655
Net profit or loss for the year	6.914	82	2.531	-4.047
Statement of financial position:				
Balance sheet total	69.775	54.645	124.850	97.199
Investments in property, plant and equipment	318	288	128	81
Equity	8.996	2.082	4.531	9.520
Employees:				
Average number of full-time employees	32	29	29	24
Key figures in %:				
Acid test ratio	112,0	101,0	103,1	108,6
Solvency ratio	12,9	3,8	3,6	9,8
Return on equity	124,8	2,5	36,0	-38,6

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.

Management´s review

The principal activities of the company

The Company's main activities comprise providing consulting services within strategic management consulting.

The Company is a part of the Kearney Group.

Development in activities and financial matters

The gross profit for the year totals DKK 62.790.000 against DKK 45.199.000 last year. Income or loss from ordinary activities after tax totals DKK 6.914.000 against DKK 82.000 last year.

Know how resources

Our employees contribute to the financial success or our global network through their teamwork and collaboration to serve our clients worldwide. The rich, diverse backgrounds of our consultants have a direct impact on what our teams accomplish every day - a dynamic that has defined our culture for more than 90 years. Training is a crucial component of the continued development of our employees and their career advancement. All employees will attend training programs where they learn essential concepts and methodologies that are crucial to management consulting.

Expected developments

It is expected that the Company will realise positive results for the financial year 2022.

Income statement 1 January - 31 December

DKK thousand.

Note		2021	2020
	Gross profit	**62.790**	**45.199**
1	Staff costs	-55.414	-42.768
	Depreciation and impairment of property, land, and equipment	-193	-211
	Other operating costs	-401	-439
	Operating profit	**6.782**	**1.781**
	Other financial income from subsidiaries	440	0
	Other financial income	24	0
2	Other financial expenses	-332	-1.699
	Net profit or loss for the year	**6.914**	**82**
	Proposed appropriation of net profit:		
	Dividend for the financial year	6.996	455
	Allocated from retained earnings	-82	-373
	Total allocations and transfers	**6.914**	**82**

Balance sheet at 31 December

DKK thousand.

Assets

Note		2021	2020
	Non-current assets		
3	Other fixtures and fittings, tools and equipment	856	690
	Total property, plant, and equipment	856	690
4	Deposits	875	875
	Total investments	875	875
	Total non-current assets	**1.731**	**1.565**
	Current assets		
	Trade receivables	22.349	27.930
5	Contract work in progress	964	109
	Receivables from associates	43.770	23.646
	Other receivables	419	372
6	Prepayments and accrued income	255	840
	Total receivables	67.757	52.897
	Cash on hand and demand deposits	287	183
	Total current assets	**68.044**	**53.080**
	Total assets	**69.775**	**54.645**

Balance sheet at 31 December

DKK thousand.

Note	Equity and liabilities	2021	2020
	Equity		
	Contributed capital	500	500
	Retained earnings	1.500	1.500
	Proposed dividend for the financial year	6.996	82
	Total equity	**8.996**	**2.082**
	Long term labilities other than provisions		
5	Prepayments received from customers concerning work in progress for the account of others	9.950	7.708
	Trade payables	690	1.043
	Payables to associates	15.819	14.328
	Other payables	34.320	29.484
	Total short term liabilities other than provisions	60.779	52.563
	Total liabilities other than provisions	**60.779**	**52.563**
	Total equity and liabilities	**69.775**	**54.645**

7 Contingencies

Statement of changes in equity

DKK thousand.

	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2021	500	1.582	0	2.082
Profit or loss for the year brought forward	0	-82	6.996	6.914
	500	**1.500**	**6.996**	**8.996**

Notes

DKK thousand.

		2021	2020
1.	**Staff costs**		
	Salaries and wages	51.893	39.471
	Pension costs	3.280	2.887
	Other costs for social security	241	410
		55.414	**42.768**
	Average number of employees	32	29
2.	**Other financial expenses**		
	Financial costs, group enterprises	0	598
	Other financial costs	332	1.101
		332	**1.699**
3.	**Other fixtures and fittings, tools and equipment**		
	Cost 1 January 2021	4.818	4.550
	Additions during the year	318	288
	Disposals during the year	0	-20
	Cost 31 December 2021	**5.136**	**4.818**
	Depreciation and writedown 1 January 2021	-4.128	-3.917
	Depreciation for the year	-152	-214
	Reversal of depreciation, amortisation and writedown, assets disposed of	0	3
	Depreciation and writedown 31 December 2021	**-4.280**	**-4.128**
	Carrying amount, 31 December 2021	**856**	**690**

Notes

DKK thousand.

		31/12 2021	31/12 2020
4.	**Deposits**		
	Cost 1 January 2021	875	875
	Cost 31 December 2021	**875**	**875**
	Carrying amount, 31 December 2021	**875**	**875**
5.	**Contract work in progress**		
	Sales value of the production of the period	964	109
	Payments on account received	-9.950	-7.708
	Contract work in progress, net	**-8.986**	**-7.599**
	The following is recognised:		
	Work in progress for the account of others (Current assets)	964	109
	Work in progress for the account of others (Prepayments received)	-9.950	-7.708
		-8.986	**-7.599**
6.	**Prepayments and accrued income**		
	Other prepayments	255	840
		255	**840**

7. Contingencies

	DKK in thousands
Lease liabilities	1.540
Total contingent liabilities	**1.540**

The lease liabilities falls due within 1-5 years and comprises of lease and rent liabilities.

Joint taxation

With A.T. Kearney Denmark A/S, company reg. no 65262312 as administration company, the company is subject to the Danish scheme of joint taxation and is proportionally liable for tax claims within the joint taxation scheme.

Notes

DKK thousand.

7. Contingencies (continued)

Joint taxation (continued)

The company is proportionally liable for any obligations to withhold tax on interest, royalties, and dividends of the jointly taxed companies.

The liabilities amount to a maximum amount corresponding to the share of the company capital, which is owned directly or indirectly by the ultimate parent company.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

Accounting policies

The annual report for A.T. Kearney P/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

The enterprise will be applying IFRS 15 as its basis of interpretation for the recognition of revenue.

The revenue is recognised when the control of the identifiable individual performance obligations has been performed in respect of the customer whereby the customer gains control of the asset or the service. Sales remunerations are allocated proportionally to the individual performance obligations in the agreement.

Revenue from service contracts is recognised on a linear basis over the period during which the service is performed.

Revenue is measured at fair value of agreed remunerations, less VAT and expenses. All forms of discount are recognised in revenue.

Revenue from contracts, including variable considerations such as quantity discounts and performance-related payments are recognised at the most probable consideration value. Revenue is not recognised until it is deemed most likely that changes in the estimated variable consideration will not subsequently result in the reversal of a material part of the amount, thus reducing revenue.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Accounting policies

Other external costs
Other external costs comprise costs of consultants from other A.T. Kearney companies, marketing expenses, insurance costs, rent, proposal costs, administrative costs and other external costs.

Staff costs
Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment
Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Other operating income and costs
Other income relates to rechargeable administrative services and costs other than consultancy services to other A.T. Kearney companies and gain on sale of assets.

Financial income and expenses
Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Property, plant, and equipment
Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Buildings	30 years	20 %

Accounting policies

Plant and machinery	5-10 years	0-20 %
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leases
The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Receivables
Receivables are measured at amortised cost, which usually corresponds to nominal value.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Contract work in progress
Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual work in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual work in progress.

Accounting policies

When the selling price of the individual work in progress can not be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand

Cash on hand comprise cash at bank and on hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.